

POSTAL BALLOT NOTICE
(Pursuant to Section 192A of the Companies Act 1956)

Sub: Passing of resolution by Postal Ballot

Dear Member(s),

Pursuant to section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) rules 2011, the following Special Resolutions are proposed to be passed by means of Postal Ballot under the said rules.

The Board of Directors at a meeting held on 14th November 2012 has decided to raise resources in order to fund capex and other general corporate funding requirements of the company by issuing 28,00,000 Convertible Warrants to Non Promoters on preferential issue basis.

Explanatory Statement (s) pursuant to Section 173(2) of the Companies Act, 1956, in respect of the aforesaid item(s) of Special Business is also annexed hereto. The Board of Directors of your company has appointed Mr.A.Someswara Rao, a Practicing Company Secretary, as scrutinizer for the process of postal ballot.

Please read carefully the "instruments for voting" printed in the accompanying Postal Ballot form before casting your vote. You are requested to return the postal ballot form duly completed and signed, through the annexed postage pre-paid self addressed envelope. The postal ballot forms which are to be returned through post as aforesaid, may also be returned to us through fax/courier. The ballot form be returned strictly as per the instructions stated in "**instructions for voting**" so as to reach the scrutinizer **on or before the close of working hours on 18th December 2012. Any ballot form received by the company after 18th December 2012 shall be treated as if reply from the member has not been received.**

The scrutinizer after completion of scrutiny, will submit his Report to the Chairman/ any Director of the Company. **The results of Postal Ballot will be declared by the Chairman/ any Director of the Company on Wednesday, 19th December 2012 at 04.00 p.m. at the registered office of the company.** The results will be submitted to the BSE Limited & National Stock Exchange of India Ltd for uploading on their respective website and the same shall also be put up on the Company's website www.gssinfotech.com

Place: Hyderabad
Date: 14th November 2012

for GSS Infotech Limited
Sd/-
Bhargav Marepally
Managing Director

Enclosures:

1. Resolution(s) along with explanatory statement
2. Postal Ballot form and Postage pre-paid self-addressed envelope

RESOLUTIONS PROPOSED TO BE PASSED THROUGH POSTAL BALLOT EXERCISE

1) Issue of 28,00,000 Convertible Warrants to Non Promoter Group entities on a Preferential Basis.

To consider and if thought fit to pass the following resolution, with or without, modification as Special Resolution:

RESOLVED THAT the consent of the Board, be and is hereby accorded for issue of compulsorily convertible warrants on preferential basis to Mr.Azim F Tapia and Mr.Javed Faizullah Tapia, subject to in accordance with the provisions of section 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications, amendments thereto or re-enactment thereof), and enabling provisions in Memorandum and Articles of Association of the Company, the listing agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed or may hereafter be listed and all other applicable laws and regulation including the Securities and Exchange Board of India Regulations/Guidelines, SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009 and SEBI (Substantial Acquisition and Takeover Regulations) 2011, the Reserve Bank of India Guidelines, and subject to all such approvals, permissions, sanctions and consents as may be required under applicable laws and regulations and of concerned authorities, Bodies and Agencies and subject to such conditions and modifications as may be prescribed by any of the above said authorities, bodies and agencies and which may be agreed to by the Board of Directors of the company (hereinafter referred to as "the Board" which term shall be deemed to include committee thereof which the Board constitute, to which all or any of the powers hereby conferred on the Board by this resolution, have been

or may hereafter at any time be delegated) the Board be and is hereby authorized on behalf of the company to create, issue, offer and allot from time to time allot up to 14,00,000 each (fourteen Lakh lakh) fully compulsorily convertible warrants to be convertible at the option of warrant holders in one or more tranches, within 18 (eighteen) months from its allotment date into equal number of fully paid up equity share of the company of face value of Rs. 10/- each for cash at an exercise price of Rs.41.00/- per share (Rupees forty one only) (including premium of Rs.31.00) aggregating to Rs. 11,48,00,000/- (Rupees Eleven Crore Fourty Eight Lakhs Only), and to issue fresh equity shares on the conversion of the warrants on such further terms and conditions as may be finalized by the Board of Directors to following person belonging to non-promoter group:

Name of person	Category	No.of warrants
Mr.Azim F Tapia	Non Promoter	1400000
Mr.Javed Faizullah Tapia	Non Promoter	1400000

RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid warrants to Non Promoter Group and the Equity shares resulting from the exercise of the entitlement of the warrant holders to subscribe to the equity shares shall be made at such time(s) as the Board may in its absolute discretion decide, subject however, to applicable guidelines, notifications, rules and regulations and the terms and conditions given herein below

a) The price including premiem of the equity share to be allotted on exchange/surrender of the said warrant to the non promoter group shall not be lower than the minimum price specified as per SEBI regulations for Preferential Issues (Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) regulations, 2009), considering 30 days prior to the date of declaration of results of the postal ballot as the Relevant Date as may be decided by the Board of Directors. The Relevant Date for determining the Price of the Equity shares to be allotted on exchange/surrender of the said warrant, shall be the date which is 30 days prior to the date of declaration of results i.e. 30 days prior to 19th December 2012 be considered

b) Each of the said Warrant shall have face value of such sum that will be equivalent to the 25% of the price of the equity share to be issued in exchange/surrender of such warrant in terms of this resolution and SEBI Regulations for Preferential Issues [Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009] and will be paid as up-front at the time of allotment of warrants

c) Each of the said warrant shall carry a right, entitling its registered owner to apply for his option and seek allotment of one Equity Share of Rs.10/- each upon exchange / surrender of the warrant to the Company along with balance 75 % of the issue price of the Equity Share

d) Against each of the said warrant, the registered owner of the warrant shall be entitled to apply for at his option, and seek allotment of one Equity share in the manner aforesaid, within the period not exceeding 18 months from the date of issue of the said warrants. The Board of Directors of the Company at its discretion shall decide the time within which the application for equity share against exchange/surrender of the said warrant shall be made subject to the aforesaid time limit

e) In case the warrant holder do not apply for the shares of the Company against exchange/surrender of the said warrant as aforesaid within the time that may be fixed by the Board of Directors in this regard, then the amount paid up on each of the said warrant shall be forfeited and all the rights attached to the said warrant shall lapse automatically

f) Upon exchange/surrender of each of the said warrant, the amount paid up thereon shall be credited, adjusted and applied towards share application money, for which the holder of the warrant is entitled to apply

g) The Equity Shares to be offered, issued and allotted as aforesaid against exchange/surrender of the said warrant upon exercise of the option by the warrant holder, shall be subject to the provisions of the Memorandum and Articles of Association of the Company and on allotment, such Equity Shares shall rank pari-passu in all respect with the existing Equity Shares of the Company.

h) Each of the said warrants and the Equity Shares to be offered, issued and allotted as aforesaid, upon exchange/surrender of the said warrants by the holder thereof, as also the entire pre-preferential Equity Shares held, if any, by the proposed allottees, shall be subject to lock in for such period as may be prescribed under the SEBI Regulations for Preferential Issues.

i) The warrant by itself shall not give to the holder thereof any rights of the shareholders of the Company.

j) The option attached to each of the said warrants shall be independent of each other.

k) In case the Equity Shares of the Company are either subdivided or consolidated before issues of the aforesaid warrants, or

exercise of option by the holders of the said warrants, then the face value, the number of Equity Shares to be acquired upon exercise of the option attached to the said warrants and the price of acquisition of the said Equity Shares by the holders of the warrants, shall automatically stand augmented/reduced in the same proportion, as the present value of the Equity Shares of Rs.10/- each of the Company bears to the newly sub-divided or consolidated Equity Shares, without affecting any right or obligation of the said warrant holders

RESOLVED FURTHER THAT subject to the applicable statutory provisions, guidelines, notifications, rules and regulations, the Board of Directors be and is hereby authorized to decide, modify, alter and amend the terms of issue, offer and allotment of the aforesaid warrants and the Equity Shares resulting from the exercise of the option attached to of each of the said warrant by its holder; PROVIDED THAT the Equity Shares resulting from the exercise of the option attached to each of the said warrant under this resolution shall be fully paid-up at the time of their allotment

RESOLVED FURTHER THAT to give effect to the aforesaid resolutions, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to Bhargav Marepally, CEO & Managing Director or any Director or any other officer(s) of the Company severally and for the purpose of giving effect to this resolution, the Board acting on its own or through a Committee of Directors or any other person duly authorized in this regard by the Board/Committee, be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/matters arising with respect to the offer, issue and allotment (including deciding the terms and conditions for the same), utilization of the proceeds of the issue of the warrants/shares, execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to the aforesaid resolution, take such further steps as are required for allotment and listing on one or more Stock Exchange(s) of the said warrants/shares to be issued, offered and allotted as aforesaid, to take such other steps that are incidental and ancillary in this regard; and to do, make or accept such alterations, modifications or variations in the foregoing or cancellation of issue of warrants, as may be considered desirable or expedient by the Board/Committee/such Authorised Person in the best interest of the Company and its shareholders.”

By Order of the Board
For **GSS INFOTECH LIMITED**

Sd/-
Bhargav Marepally
CEO & Managing Director

Place: Hyderabad
Date:14th November 2012

Notes:

1. A shareholder who is entitled to vote at a general meeting is entitled to exercise his/ her vote through Postal Ballot.
2. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to Special Business to be transacted at the meeting is annexed hereto.
3. shareholders are requested to register their e mail i.d. with the company or Share Transfer Agent for receiving any future correspondence from the company.

EXPLANATORY STATEMENT ISSUED PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item 1:

The Board of Directors in order to raise funds to meet capex and other general corporate fund requirements of the company have decided to issue Convertible Warrants to Non Promoters Group Companies on Preferential issue basis. The issue of Convertible Warrants as aforesaid, shall be made in accordance with the provisions of the Companies Act, 1956, Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Listing Agreement of Stock Exchange and other applicable laws and provisions. The aforesaid Convertible Warrant, if issued shall carry a right to its holder to apply for and receive 1 (one) Equity Share of the Company of Rs.10 each in lieu of every warrant within such time period as stated in the special resolution under Item no 1. The warrant shall have such face value and shall be subject to such terms and conditions as stated in the special resolution under Item no. 1 of the notice.

A copy of the Certificate of the Auditors of the Company certifying the adherence to SEBI's Regulations for Preferential Issues, being Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the proposed issue is enclosed herewith. The information as required under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 are as under:

a) Objects to the Issue :

The purpose of this issue is to augment resources to fund the capex and other general corporate funding requirements of the company.

b) Intention of Promoter/Promoter Group Companies to subscribe to the Offer ;

No promoters are subscribing to the proposed warrants and further informed that, there is no change in the management of the company pursuant to the issue of convertible warrants on preferential allotment. Voting rights shall change according to the change in shareholding pattern mentioned above.

c) Undertakings.

The Company hereby undertakes that it shall recompute the price of the specified securities in terms of the provisions of the said Regulations where it is required to do so. The Company also undertakes that if the amount payable on account of the recomputation of price is not paid within the time stipulated in the said Regulations, the specified securities shall continue to be locked in till the time such amount is paid by the allottees.

d) Shareholding Pattern before and after issue (of Equity Shares resulting from the exercise of options by the warrant holders in respect of the warrants covered under Item no. 1) :

Equity Shares of the company

Particulars	Existing Shareholdings (as on 14 th November 2012)		Shareholding after conversion of warrants	
Promoters Holdings				
Indian Promoters	2,124,738	15.03%	2,124,738	12.55%
Foreign Promoters	0	0	0	0
Sub-Total	2,124,738	15.03%	2,124,738	12.55%
Promoter Group	76,213	0.54%	76,213	0.45%
Sub-Total	76,213	0.54%	76,213	0.45%
Total Promoters Holdings (a)	2,200,951	15.57%	2,200,951	13.00%
Non –Promoters Holdings				
Institutional Investors				
Domestic Venture Capital Funds	1,952,505	13.81%	1,952,505	11.53%
Banks, Financial Institutions, Insurance Companies, Governments Holdings etc	801,595	5.67%	801,595	4.73%
Foreign Institutional Investors	3,279,991	23.20%	3,279,991	19.37%
Sub-Total	6,034,091	42.68%	6,034,091	35.63%
Others				
Private Bodies Corporate	1,411,991	9.99%	1,411,991	8.34%
Individuals	3,064,382	21.68%	5,864,382	34.63%
NRI	23,621	0.17%	23,621	0.14%
Clearing members	51,807	0.37%	51,807	0.31%
Trust	350,000	2.48%	350,000	2.07%
Sub-Total	4,901,801	34.67%	7,701,801	45.47%
Overseas Corporate Bodies	1,000,000	7.07%	1,000,000	5.90%
Total Non Promoter Shareholdings (b)	11,935,892	84.43%	14,735,892	87.00%
GRAND TOTAL (a+b)	14136843	100.00%	16936843	100.00%

e) Proposed time limit within which allotment will be completed:

The proposed allotment of warrants will be completed within 15 days period from the date of declaration of results of the Postal Ballot conducted herein. The allotment of 28,00,000 Equity Shares resulting from the exercise of options attached to the said warrants if exercised, will be completed within a period not exceeding 18 months from the date of issue of the warrants, as may be decided by the Board of Directors of the Company.

f) Identity of the Allottee(s) with percentage of expanded capital to be held by them :

The proposed allottee(s) of 28,00,000 Equity Shares as a result of exercise of options attached to the 28,00,000 warrants proposed to be issued pursuant to a Special Resolution at Item no. 1 of the notice and the percentage of expanded capital to be held by them after the proposed allotment of the said Equity Shares to them as per the said resolution are as under -

Sr.No	Proposed Allottee (s)	Existing Shareholdings		Shareholding post conversion	
		No.of Shares	%	No.of Shares	%
1	Mr.Azim F Tapia	0	0	1400000	8.27
2	Mr.Javed Faizullah Tapia	0	0	1400000	8.27

The proposed post preferential issue capital would not result in any change in control of the issuer.

Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, etc. such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81, unless the shareholders decide otherwise by passing a special resolution.

Hence, your approval is sought by voting by postal ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011 to item no. 1 of the notice.

Your Directors recommend the resolution for your approval as a special resolution. None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

By Order of the Board
For **GSS INFOTECH LIMITED**
Sd/-
Bhargav Marepally
CEO & Managing Director

Place: Hyderabad
Date: 14th November 2012

TO WHOM IT MAY CONCERN

This is to certify that we have verified the books and records of M/s. GSS Infotech Limited, having its registered office at Level 5, Wing-2, Cyber Pearl, Madhapur, Hyderabad-500081, in connection with their proposed issue of 28,00,000 convertible warrants (with an option to the holders to convert it into equity shares) on a preferential basis as stated in the resolution proposed to be passed by the members of the company through Postal Ballot under item no.1 of the Postal Ballot notice dated 14th November, 2012 and also in the Explanatory Statement pursuant to Section 173 (2) of the Companies Act 1956 as annexed to the said Postal Ballot notice. On the basis of our examination and verification and as per the information and explanations that were given to us, we have found to the best of our knowledge and belief that the proposed issue of the said convertible warrants is being made in accordance with the requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for preferential issues.

Date: 14th November, 2012
Place: Hyderabad

for **M/s.SARATH & ASSOCIATES**
Chartered Accountants

Sd/-
Partner

INSTRUCTIONS

1. A member desiring to exercise vote by Postal Ballot may complete the Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form, if deposited in person or sent by courier at the expenses of the member will also be accepted.
2. The self-addressed envelope bears the name of the scrutinizer appointed by the Board of Directors of the Company.
3. There shall be one Postal Ballot for every Folio/ Client ID irrespective of the number of joint holders. A proxy shall not exercise the Postal Ballot. Voting rights shall be reckoned on the paid up value of the shares registered in the name (s) of the member (s)/ Beneficial Owner (s) on the date of dispatch of the notice.
4. The Postal Ballot Form should be completed and signed by the member. In case of joint holding, this form should be completed and signed (as per specimen signature registered with the company) by the first named member and failing him by the next named member and so on.
5. In case of shares held by companies, trusts, societies etc the duly completed Postal Ballot Form should be signed by the authorized signatory, whose signature is already registered with the Company. In such cases the duly completed Postal Ballot Form should also be accompanied by a certified true copy of the Board Resolution/Authority.
6. The votes should be cast either in favour or against by putting the tick ($\sqrt{\quad}$) mark in the column provided for assent or dissent. Postal Ballot Form bearing tick marks in both the columns will render the Form invalid.
7. Duly completed Postal Ballot Form should be received by the Scrutinizer not later than 4.00 p.m. on, December 18, 2012. Postal Ballot Form received after this date will be treated as if no reply from the member has been received.
8. Voting Rights shall be reckoned on the paid-up value of shares registered in the name of the shareholders on 14th November 2012.
9. Incomplete, unsigned or incorrect Postal Ballot Form will be rejected. The Scrutinizer 's decision on the validity of the Postal Ballot shall be final and binding.
10. A member may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified hereinbefore.

POSTAL BALLOT FORM

Sl. No.

1	Name and registered address of : the sole/ first named Member (In BLOCK LETTERS)	
2	Name (s) of the Joint Member (s), : if any (In BLOCK LETTERS)	
3	Registered Folio No./ DP ID/ Client ID* : * Applicable to investors holding shares in dematerialized form	
4	No. of shares held	

I/ We hereby exercise my/ our vote in respect of the Special Resolution to be passed through Postal Ballot for the business stated in the Notice of the Company dated November 14, 2012 by conveying my/ our assent or dissent to the said resolution by placing the tick(√) mark at the appropriate box below :

Description	No. of Shares	I/ We assent to the resolution (FOR)	I/ We dissent to the resolution (AGAINST)
a) Special Resolution under Section 81(1A) of the Companies Act, 1956, rules and regulations made there under or stipulations under any others acts, rules and regulations as applicable for the time being in force, for issue of Compusorily Convertible Warrants to the Non-Promoter Category to the extent of 2800000			

Place: Hyderabad

Date: 14th November 2012

(Signature of the applicant)

Note: Kindly read the instructions printed overleaf before filing the form.
Last date of receipt of Postal Ballot Form by Scrutinizer is December 18th, 2012.